

# **City of Greenville Media Release**

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**FOR IMMEDIATE RELEASE**

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## **CITY OF GREENVILLE CHOOSES SMG CORP. FOR PALMETTO EXPO CENTER MANAGEMENT**

Greenville, SC - City representatives will soon complete negotiations with SMG Corporation for the management of the Palmetto Exposition Center. The Center includes a 88,000-square-foot conference center with 368,000 square feet of exhibit space available for tradeshow, conventions, conferences and special events.

After the initial selection process was completed, the City began negotiating with Global-Spectrum, a Florida-based firm which owns and manages several convention centers. However, when the two parties were unable to reach agreement on the terms of the contract, the City turned to another qualified firm, SMG Corporation.

SMG, headquartered in Philadelphia, Pennsylvania, operates 130 facilities worldwide, including arenas, stadiums, theaters and convention centers.

Greenville City Manager Randy Oliver said, "we were seeking a firm that had the credentials and experience to broaden the scope of the Palmetto Expo Center's market." He notes, "Textile Hall Corporation has done a tremendous job serving the needs of the textile market. It will be the job of the new management firm to take the facility to the next level." The City was assisted in the selection process and negotiations by Tony Peterman, a consultant from Strategic Advisory Group. City Manager Oliver said, "while both Global-Spectrum and SMG had the qualifications to manage the Expo Center, we believe the selection of SMG is in the best interests of the community." (A comparison of the offers from each company is attached.)

The City and SMG plan to enter into a Memorandum of Understanding which includes the terms and conditions of the agreement. A final contract should be completed within the next 2-3 weeks. SMG will begin work in January.

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**City of Greenville**  
Palmetto Expo Center

**COMPARISON OF MANAGEMENT COMPANY OFFERS**

	<b>Global-Spectrum</b>	<b>SMG</b>
<b>Term</b>	30 months initial term + three 2-year renewals + annually renewable thereafter (City's option to renew)	30 months initial term + three 2-year renewals + annually renewable thereafter (City's option to renew)
<b>Food and Beverage Commission</b>	5% of gross sales	6% of gross sales.
<b>Food and Beverage Equipment Investment</b>	\$175,000 invested within first year, no repayment if renewed for a total contract of at least 5 years. Any termination before 5 years, City repays investment less depreciation.	\$250,000 invested within first year and repaid without interest if not renewed after 30-months. If renewed, 50% of investment (without interest) will be paid back over a period of 2-3 years. Repayments are considered optg. expenses
<b>Benchmark</b>	Fixed at \$300,000, in effect 1/1/02	0
<b>Contingent Fees</b>	50% of improvement to financial benchmark	When facility earns a profit, profits split 50%/50%. SMG will cap total fees (both F&B and Management) at \$300,000 per year.
<b>Fixed Fees</b>	None. All contingent fees based on benchmark improvement.	N/A
<b>Audio-Visual &amp; Technology Investment</b>	None	\$50,000 invested in first year with no repayment but all equipment remains property of SMG if not renewed after 30 months.
<b>Performance Bond</b>	\$180,000	\$125,000
<b>Booking Policy</b>	14 months and beyond booked by GCVB	14 months and beyond booked by GCVB
<b>GCVB Preferred Rates</b>	40 total days per year given to GCVB at 50% reduction off standard rental rates	40 total days per year given to GCVB at 50% reduction off standard rental rates
<b>Convention Fee</b>	\$10,000 paid annually if Center hosts 10 or more conventions per year	None (Convention fee waived)
<b>Capital Expense Minimum</b>	\$5,000	\$15,000
<b>City-Owned Events</b>	Included in financial operations of Center	Included in financial operations of Center
<b>Rent-free Space provided for City Use</b>	12 days per year in meeting room(s) and 2 days per year in ballroom	12 days per year in meeting room(s) and 2 days per year in ballroom

